

PERAC AUDIT REPORT



Middlesex Contributory Retirement System

JAN. 1, 2001 - DEC. 31, 2004 / PERAC 04: 11-009-17



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PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

June 22, 2007

The Public Employee Retirement Administration Commission has completed an examination of the Middlesex Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2001 to December 31, 2004. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and management functions are being performed generally in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

In closing, I acknowledge the work of examiners Richard Ackerson, James Ryan, and James Sweeney who conducted this examination and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton
Executive Director



Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

1. **Annuity Savings Fund**

The Annuity Savings Fund balance does not agree with the total of the Members Supplemental Schedule. It is important that this be reconciled to ensure each member's Annuity Savings Fund balance is correct.

Recommendation

The Board must ensure that the ASF general ledger balance agrees with the total of Members Supplemental Schedule.

Board Response:

The Board has tracked an error in the Annuity Savings Fund balance occurring in 1998, which resulted from the abolition of Middlesex County and the required transfer of the Annuity Savings Fund accounts of former Middlesex County employees to the Commonwealth. This error has been corrected, as reflected in the 2006 Annual Report.

2. **Military Service Fund**

The Military Service Fund is not being handled in accordance with G.L. c. 32, § 22(7). The Board is not collecting contributions from the units on an annual basis for members who have been called to active duty in the military.

Recommendation

The Board must comply with G.L. c. 32, § 22(7) requirements. The proper procedure for handling the entire process is discussed in PERAC Memo #39/2001.

Board Response:

The Board has notified all member units of the provisions of G.L. c. 32, s. 22(7) and of the requirement of collecting Military Service Fund contributions from member units on an annual basis. In the past, these contributions were collected at the time of the member's retirement. After consultation with the System's actuary and PERAC, the member units will be billed annually for Military Service Fund contributions.

3. **Membership**

A. PERAC auditors sampled member's deduction rates to determine that correct percentages are being withheld and that the additional 2% deduction is withheld from those members who earn over \$30,000 and were hired after January 1, 1979. The sample yielded an 11% error rate. There was an 8% error rate in the base deduction rate and 3% error rate in the additional 2% deduction for income over \$30,000. Errors were detected in 31% of the member units sampled.

B. Fifty-three percent of the governmental units that supplied a listing of earnings types and a determination of whether those earning were considered regular compensation subject to retirement deductions, had classified earnings incorrectly, or potentially misclassified regular

Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

earnings. For example, clothing allowance, EMT pay and HAZMAT pay were excluded from regular earnings. Bonus and severance payments were considered as regular compensation.

C. The sample used to test members' deduction rates was chosen from a list of "active" members provided by the staff. Nine percent of those selected were retired, withdrawn or inactive. The total active members reported on the 2003 Annual Statement was 7,612 as of 12/31/03. As of this date the MRS actuary, The Segal Group, utilized an active member total 9,043. The difference in active members represents an eighteen percent variance and would affect the actuarial valuation.

Recommendation:

A. The deduction errors found must be corrected by the Board and member unit payroll departments. The Board must establish a plan to check all members deductions to ensure compliance with G.L. c 32, § 22 (1)(b) and (1)(b1/2), and PERAC MEMO # 43/1999, defining 2% additional deductions.

B. Based on the high error rate of the test, it is recommended that a 100% review of earnings be completed. Each unit should be required to provide a list of all earning types and indicate those that are subject to retirement deductions. The lists should be reviewed to determine if earnings are classified properly in accordance with Chapter 32 § 1 and PERAC 840 CMR and corrections made.

C. The Board must establish and maintain an accurate membership file. All governmental units should be required to submit a detailed list of active members, which should be updated on a regular basis.

Board Response:

A. The Board annually notifies all member units of the requirement of withholding additional 2% from regular compensation over \$30,000. This notification includes calculation examples and a copy of PERAC Memo #43/1999. In addition, the deduction rate of all members transferring into the System now defaults to 9% plus 2%, until such time as the transfer of the member's contributions are actually received and the deduction rate can be verified. The System will be utilizing a new computer program in the Fall of 2007, which will further minimize deduction rate errors.

B. The Board has provided all member units with Regular Compensation Guidelines, and has posted these Guidelines on the System's website. Since 2004, the Board has requested all member units to provide copies of collective bargaining agreements, individual employment agreements, personnel by-laws, and other documents addressing employee compensation to the Board. In addition, the Board is upgrading and changing the System's computer programs, and

Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

has required member units to submit pay listings and pay codes as part of that process. Non-salary compensation can present unique challenges, as reflected by the need for the recent amendments to 840 CMR 15.03, and in recent judicial decisions. These challenges are further complicated by the differing payroll systems and payroll codes used by the System's seventy (70) member units. The Board is also advised that the member units' responses to the PERAC auditors' request for payroll information, in some cases, may have misapprehended the meaning of "other compensation" and "earnings types." Nevertheless, the Board has instructed the System's staff to increase its diligence to ensure that payments representing regular compensation are subject to deductions and included in retirement calculations.

C. The membership totals utilized by the System's actuary, which form part of the basis of the actuarial valuation, are actuarially accurate. The membership totals appearing in the 2003 Annual Report (as well as prior Annual Reports) utilized a different methodology which resulted in an underreporting of membership totals. Additionally, in 2003 there was an extraordinary membership transfer of the accounts of the employees of an educational collaborative, which further skewed the numbers reflected on the 2003 Annual Statement. To increase the accuracy of membership totals, the member units were requested in 2005 to file a *Notice of Separation from Service* when an employee ceased to be employed. Since 2005, the System's Annual Reports have reflected more accurate membership totals. Lastly, as noted above, the Board is upgrading its computer capabilities during which the member units will provide current data regarding active employees.

PERAC's educational materials and workshops have provided excellent guidance and helpful prompts in many areas to assist the Boards' preparation of the Annual Reports. PERAC should consider including technical guidance to the Boards in this area.

4. Review of Minutes and Board Member Attendance

The Auditor reviewed Board Meeting Minutes from January, 2001 through October, 2005. This review revealed that a member of the Board had a greater than twenty-five per cent absentee rate during those periods. This member was absent from twenty-five percent of the meetings held in 2001, forty-two percent in 2002, fifty-four percent in 2003, and thirty-five percent through October 2005. His attendance was considered satisfactory in 2004.

Recommendation:

Attendance at Board meetings is an obligation that must be fulfilled by all Board members. An absentee rate of twenty-five percent or more is considered excessive. It is the Board's responsibility to advise members who fail to uphold their duties to the System, and to take appropriate action with such members, when necessary. The Board may consider changing the times of Board meetings in order to accommodate the member's schedule.

Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

Board Response:

From mid 2001 through 2003, the Board Member suffered from a medical issue which required surgery and involved post-surgical complications, accounting for his absences from Board meetings. However, despite his physical absence, the Board member fulfilled his fiduciary responsibilities by participating in many Board meeting discussions via speakerphone, a practice which the PERAC Commission and former Acting Governor Swift had also utilized when required during the period under review. Both prior to the onset of these medical issues, and since his recovery in 2004, the Board member's attendance has been satisfactory.

5. Investments:

The Middlesex Retirement System invested in Keystone V without PERAC's approval. This is a violation of PERAC Regulation 840 CMR 19.00. The System invested \$4,500,000 and ultimately lost \$3,500,000 of that investment.

Recommendation:

The Board must ensure PERAC approval is received, when applicable, prior to making an investment.

Board Response:

In 2000, PERAC granted an exemption from the statutory restrictions on venture capital investments which allowed Middlesex and other Massachusetts retirement boards to invest in Keystone Venture VI. In 2001, Massachusetts retirement boards were presented a subsequent opportunity to invest in Keystone Venture V, a fund which was managed by the same General Partners. On April 10, 2001, PERAC approved a Massachusetts retirement board's request to invest in Keystone Venture V, based on the qualifications of the investment manager. As was explained to PERAC in 2002, the Board viewed its participation in Keystone Venture V as coming within PERAC Investment Guideline 99-3, which dispensed with certain regulatory requirements relating to "new partnerships offered by alternative investment project managers with whom they have already invested." The Board was also aware that investment in the Keystone Venture V fund had previously been approved by PERAC. Consequently, under the circumstances, the Board did not then recognize the need to seek an additional exemption from PERAC for this investment. The Board has since clarified the application of PERAC Investment Guideline 99-3 and has obtained exemptions for all existing investments where required.

Venture capital investments involve a higher level of investment risk. All investors in the Keystone Venture V fund sustained an investment loss, which, for this System, amounted to less than 1% of the market value of the System's assets.

Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

6. Accuracy of Meeting Minutes

A Board member was instructed in February 2002 to abstain from voting on specific issues. On five occasions during the audit period, the specific issues were discussed and recorded in the minutes of those meetings respectively. The votes recorded relative to those issues did not reflect that the Board member abstained. The minutes of those meetings were subsequently reviewed and approved by the Board. In March 2005, the Board voted to amend the minutes previously approved to reflect that the member had abstained from voting on those issues. It was noted that the Board had amended minutes from three other meetings on 2/14/02 relative to the same issue.

Recommendation

Board members must contemporaneously review meeting minutes and ensure that they are accurate. Any errors must be corrected prior to approval.

Board Response:

Despite the member's abstaining from certain votes, the minutes indicated that certain motions were "unanimously" adopted or approved. However, the minutes reflected only the unanimous vote of those Board members who actually voted on the motion, and were silent on five occasions as to the abstaining member's non-participation. These were scrivener's errors which were discovered by the Board in March of 2005 in conjunction with the PERAC audit, and the Board took the appropriate procedural action to correct the minutes.

Robert's Rules of Order are utilized as an operating guide by many public boards, including Middlesex. In correcting the minutes, the Board relied upon Rule 33:13 which holds, in pertinent part, that, "The minutes may be corrected whenever the error is noticed regardless of the time which has elapsed."

Special Note:

There were three issues that occurred during the 2001 – 2004 audit period that were not included in the scope of this audit. Those issues were:

1. Concerns relative to the Procurement process used for the building renovations at 25 Linnell Circle. This issue was reviewed by the Board's Certified Public Accounting firm and documented in their audit report issued on 12/28/04. The CPA firm provided PERAC with copies of their work papers and supporting documentation. PERAC reviewed the documents, agreed with the findings, and determined it should be referred to appropriate law enforcement and regulatory offices. All documentation was provided to those entities.
2. Questions relative to the validity of expenses submitted by one of the Board members. This was also reviewed by the Board's CPA firm and included in their audit report. The CPA firm provided PERAC with copies of their work papers and supporting documentation.

Middlesex Retirement System

EXPLANATION OF FINDINGS AND RECOMMENDATIONS (CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

3. PERAC reviewed the documents, agreed with the findings, and determined it should be referred to appropriate law enforcement and regulatory offices. All documentation was provided to those entities.
4. Issues regarding activities of Cambridge Financial Management. These issues were reviewed in depth by PERAC and the Inspector General's Office and documented in an interim report issued by PERAC on 10/7/05. Investigations of this matter continue.

Board Response to Special Note:

Where the three issues cited by PERAC are not included in the scope of PERAC's audit, no Board response is necessary. The Board has, however, taken action to comprehensively address and respond to these matters in other venues and forums, and will continue to do so.

Final Determination:

PERAC audit staff will follow-up in six (6) months to ensure appropriate actions have been taken regarding all findings.

Middlesex Retirement System

STATEMENT OF LEDGER ASSETS AND LIABILITIES **FOR THE FOUR-YEAR PERIOD BEGINNING JANUARY 1, 2001** **AND ENDING DECEMBER 31, 2004**

	FOR THE PERIOD ENDING DECEMBER 31,			
ASSETS	2004	2003	2002	2001
Cash	\$17,815,446	\$16,318,677	\$14,561,268	\$15,071,537
Short Term Investments	0	0	0	0
Fixed Income Securities (at book value)	141,076,954	124,993,341	130,882,634	125,548,199
Equities	203,848,582	174,093,952	132,423,802	169,293,300
Pooled Short Term Funds	0	0	0	0
Pooled Domestic Equity Funds	40,823,758	39,448,331	38,210,888	34,998,197
Pooled International Equity Funds	76,245,128	62,767,125	60,075,778	71,121,602
Pooled Global Equity Funds	0	0	0	0
Pooled Domestic Fixed Income Funds	11,717,764	13,760,850	13,699,513	15,405,163
Pooled International Fixed Income Funds	33,905,095	30,750,532	38,397,193	32,001,537
Pooled Global Fixed Income Funds	0	0	0	0
Pooled Alternative Investment Funds	29,705,615	28,214,102	28,526,243	33,084,157
Pooled Real Estate Funds	38,951,795	52,118,842	43,935,122	50,412,093
Pooled Domestic Balanced Funds	0	0	0	0
Pooled International Balanced Funds	0	0	0	0
PRIT Cash Fund	0	0	0	0
PRIT Core Fund	0	0	0	0
Interest Due and Accrued	2,106,236	1,907,032	1,901,274	1,876,930
Accounts Receivable	4,198,668	5,036,819	13,252,243	5,930,908
Accounts Payable	(1,946,334)	(8,901,457)	(10,821,035)	(10,228,494)
TOTAL	<u>\$598,448,707</u>	<u>\$540,508,145</u>	<u>\$505,044,923</u>	<u>\$544,515,130</u>
FUND BALANCES				
Annuity Savings Fund	\$235,701,034	\$223,081,712	\$212,746,182	\$201,509,070
Annuity Reserve Fund	79,323,629	75,696,048	67,141,435	60,384,262
Pension Fund	(31,603,283)	(19,619,984)	2,616,327	20,591,833
Military Service Fund	50,242	55,038	60,413	62,065
Expense Fund	0	0	0	0
Pension Reserve Fund	314,977,084	261,295,330	222,480,566	261,967,900
TOTAL	<u>\$598,448,707</u>	<u>\$540,508,145</u>	<u>\$505,044,923</u>	<u>\$544,515,130</u>

Middlesex Retirement System

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE FOUR-YEAR PERIOD BEGINNING JANUARY 1, 2001
AND ENDING DECEMBER 31, 2004**

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2001)	\$186,860,582	\$57,272,053	\$39,158,078	\$61,107	\$0	\$285,134,889	\$568,486,709
Receipts	27,985,439	1,615,394	30,837,907	958	5,707,043	(23,223,316)	42,923,424
Interfund Transfers	(9,183,527)	9,152,225	(25,025)	0	0	56,327	(0)
Disbursements	<u>(4,153,425)</u>	<u>(7,655,410)</u>	<u>(49,379,126)</u>	<u>0</u>	<u>(5,707,043)</u>	<u>0</u>	<u>(66,895,004)</u>
Ending Balance (2001)	201,509,070	60,384,262	20,591,833	62,065	0	261,967,900	544,515,130
Receipts	28,765,161	1,959,450	35,741,999	716	6,095,595	(39,706,989)	32,855,931
Interfund Transfers	(13,158,917)	12,958,820	(17,189)	(2,368)	0	219,654	0
Disbursements	<u>(4,369,131)</u>	<u>(8,161,096)</u>	<u>(53,700,316)</u>	<u>0</u>	<u>(6,095,595)</u>	<u>0</u>	<u>(72,326,138)</u>
Ending Balance (2002)	212,746,182	67,141,435	2,616,327	60,413	0	222,480,566	505,044,923
Receipts	30,414,439	2,178,764	39,305,705	457	5,890,112	38,646,690	116,436,167
Interfund Transfers	(15,678,218)	15,545,706	(29,729)	(5,832)	0	168,073	0
Disbursements	<u>(4,400,691)</u>	<u>(9,169,856)</u>	<u>(61,512,286)</u>	<u>0</u>	<u>(5,890,112)</u>	<u>0</u>	<u>(80,972,945)</u>
Ending Balance (2003)	223,081,712	75,696,048	(19,619,984)	55,038	0	261,295,330	540,508,144
Receipts	30,555,400	2,348,707	54,102,826	277	6,665,682	53,293,409	146,966,301
Interfund Transfers	(11,705,143)	11,327,653	(5,782)	(5,073)	0	388,345	0
Disbursements	<u>(6,230,935)</u>	<u>(10,048,779)</u>	<u>(66,080,342)</u>	<u>0</u>	<u>(6,665,682)</u>	<u>0</u>	<u>(89,025,738)</u>
Ending Balance (2004)	<u>\$235,701,034</u>	<u>\$79,323,629</u>	<u>(\$31,603,283)</u>	<u>\$50,242</u>	<u>\$0</u>	<u>\$314,977,084</u>	<u>\$598,448,707</u>

Middlesex Retirement System

STATEMENT OF INCOME

**FOR THE FOUR-YEAR PERIOD BEGINNING JANUARY 1, 2001
AND ENDING DECEMBER 31, 2004**

	FOR THE PERIOD ENDING DECEMBER 31,			
	2004	2003	2002	2001
Annuity Savings Fund:				
Members Deductions	\$26,412,866	\$25,476,670	\$24,260,138	\$22,425,517
Transfers from other Systems	1,820,498	2,108,428	979,373	1,719,372
Member Make Up Payments and Redeposits	1,033,610	831,365	801,471	399,877
Investment Income Credited to Member Accounts	<u>1,288,425</u>	<u>1,997,975</u>	<u>2,724,179</u>	<u>3,440,674</u>
Sub Total	<u>30,555,400</u>	<u>30,414,439</u>	<u>28,765,161</u>	<u>27,985,439</u>
Annuity Reserve Fund:				
Investment Income Credited Annuity Reserve Fund	<u>2,348,707</u>	<u>2,178,764</u>	<u>1,959,450</u>	<u>1,615,394</u>
Pension Fund:				
3 (8) (c) Reimbursements from Other Systems	1,394,162	1,240,979	1,170,766	1,097,077
Received from Commonwealth for COLA and				
Survivor Benefits	0	2,653,226	4,323,087	1,840,315
Adjustment Account	0	0	0	306
Pension Fund Appropriation	<u>52,708,663</u>	<u>35,411,500</u>	<u>30,248,147</u>	<u>27,900,209</u>
Sub Total	<u>54,102,826</u>	<u>39,305,705</u>	<u>35,741,999</u>	<u>30,837,907</u>
Military Service Fund:				
Contribution Received from Municipality on Account				
of Military Service	0	0	0	0
Investment Income Credited Military Service Fund	<u>277</u>	<u>457</u>	<u>716</u>	<u>958</u>
Sub Total	<u>277</u>	<u>457</u>	<u>716</u>	<u>958</u>
Expense Fund:				
Expense Fund Appropriation	0	0	0	0
Rental Income and Interest - LLC	0	0	0	0
Investment Income Credited to Expense Fund	<u>6,665,682</u>	<u>5,890,112</u>	<u>6,095,595</u>	<u>5,707,043</u>
Sub Total	<u>6,665,682</u>	<u>5,890,112</u>	<u>6,095,595</u>	<u>5,707,043</u>
Pension Reserve Fund:				
Federal Grant Reimbursement	193,703	134,875	143,646	152,881
Pension Reserve Appropriation	0	0	0	0
Misc Income	155,787	190,937	577,859	
Interest Not Refunded	50,145	47,620	41,831	54,279
Excess Investment Income	<u>52,893,775</u>	<u>38,273,258</u>	<u>(40,470,325)</u>	<u>(23,430,477)</u>
Sub Total	<u>53,293,409</u>	<u>38,646,690</u>	<u>(39,706,989)</u>	<u>(23,223,316)</u>
TOTAL RECEIPTS	<u>\$146,966,301</u>	<u>\$116,436,167</u>	<u>\$32,855,931</u>	<u>\$42,923,424</u>

Middlesex Retirement System

STATEMENT OF DISBURSEMENTS

**FOR THE FOUR-YEAR PERIOD BEGINNING JANUARY 1, 2001
AND ENDING DECEMBER 31, 2004**

	FOR THE PERIOD ENDING DECEMBER 31,			
	2004	2003	2002	2001
Annuity Savings Fund:				
Refunds to Members	\$2,223,727	\$2,059,761	\$1,924,302	\$2,097,876
Transfers to other Systems	<u>4,007,208</u>	<u>2,340,930</u>	<u>2,444,829</u>	<u>2,055,549</u>
Sub Total	<u>6,230,935</u>	<u>4,400,691</u>	<u>4,369,131</u>	<u>4,153,425</u>
Annuity Reserve Fund:				
Annuities Paid	9,848,017	9,078,194	8,041,821	7,574,429
Option B Refunds	<u>200,761</u>	<u>91,662</u>	<u>119,275</u>	<u>80,982</u>
Sub Total	<u>10,048,779</u>	<u>9,169,856</u>	<u>8,161,096</u>	<u>7,655,410</u>
Pension Fund:				
Pensions Paid				
Regular Pension Payments	47,692,309	44,224,108	37,368,563	33,951,518
Survivorship Payments	2,885,450	2,733,341	2,515,901	2,457,098
Ordinary Disability Payments	1,112,060	1,049,566	1,002,734	1,058,259
Accidental Disability Payments	8,964,388	8,486,056	7,993,227	7,551,654
Accidental Death Payments	2,381,861	2,319,858	2,353,962	2,032,949
Section 101 Benefits	523,827	511,984	475,799	453,673
3 (8) (c) Reimbursements to Other Systems	1,401,328	1,132,173	968,290	888,759
State Reimbursable COLA's Paid	1,119,120	1,055,200	1,021,841	985,216
Chapter 389 Beneficiary Increase Paid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub Total	<u>66,080,342</u>	<u>61,512,286</u>	<u>53,700,316</u>	<u>49,379,126</u>
Military Service Fund:				
Return to Municipality for Members Who Withdrew Their Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expense Fund:				
LLC Expenses	\$0	\$0	\$0	\$0
Board Member Stipend	12,000	15,000	13,500	13,500
Salaries	1,181,477	1,029,271	973,676	891,493
Legal Expenses	533,151	538,607	49,183	76,729
Medical Expenses	303	130,531	109,170	73,627
Travel Expenses	35,314	31,076	54,929	75,128
Administrative Expenses	724,498	483,744	488,767	378,993
Furniture and Equipment	76,231	(186,371)	267,412	2,580
Misc Expenses	0	367	423	162
Fiduciary Insurance	50,000	0	0	
Management Fees	3,418,352	3,287,025	3,598,112	3,682,737
Custodial Fees	486,855	413,362	392,924	372,094
Consultant Fees	<u>147,500</u>	<u>147,500</u>	<u>147,500</u>	<u>140,000</u>
Sub Total	<u>6,665,682</u>	<u>5,890,112</u>	<u>6,095,595</u>	<u>5,707,043</u>
TOTAL DISBURSEMENTS	<u>\$89,025,738</u>	<u>\$80,972,945</u>	<u>\$72,326,138</u>	<u>\$66,895,004</u>

Note: 2003 Furniture & Equipment is negative as a result of capitalizing 2002 purchases.

Middlesex Retirement System

INVESTMENT INCOME

**FOR THE FOUR-YEAR PERIOD BEGINNING JANUARY 1, 2001
AND ENDING DECEMBER 31, 2004**

	FOR THE PERIOD ENDING DECEMBER 31,			
	2004	2003	2002	2001
Investment Income Received From:				
Cash	\$141,084	\$171,014	\$266,706	\$926,870
Short Term Investments	0	0	0	0
Fixed Income	8,851,948	8,635,848	8,847,096	9,109,826
Equities	2,466,920	2,033,263	1,757,000	1,743,532
Pooled or Mutual Funds	12,235,322	5,413,674	5,212,005	4,899,326
Miscellaneous				154,758
Commission Recapture	65,987	60,016	29,532	121,065
TOTAL INVESTMENT INCOME	<u>23,761,260</u>	<u>16,313,815</u>	<u>16,112,339</u>	<u>16,955,377</u>
Plus:				
Increase in Amortization of Fixed Income Securities	0	0	0	0
Realized Gains	12,807,044	31,222,007	12,599,147	22,263,759
Unrealized Gains	56,831,736	93,819,679	52,390,938	60,605,667
Interest Due and Accrued on Fixed Income Securities - Current Year	<u>2,106,236</u>	<u>1,907,032</u>	<u>1,901,274</u>	<u>1,876,930</u>
Sub Total	<u>71,745,016</u>	<u>126,948,718</u>	<u>66,891,359</u>	<u>84,746,356</u>
Less:				
Decrease in Amortization of Fixed Income Securities	0	0	0	0
Paid Accrued Interest on Fixed Income Securities	(1,270,383)	(1,112,863)	(538,078)	(694,232)
Realized Loss	(4,405,153)	(29,114,448)	(58,842,465)	(53,085,107)
Unrealized Loss	(24,726,843)	(62,793,382)	(51,436,612)	(58,433,634)
Interest Due and Accrued on Fixed Income Securities - Prior Year	<u>(1,907,032)</u>	<u>(1,901,274)</u>	<u>(1,876,930)</u>	<u>(2,155,169)</u>
Sub Total	<u>(32,309,411)</u>	<u>(94,921,966)</u>	<u>(112,694,084)</u>	<u>(114,368,141)</u>
NET INVESTMENT INCOME	<u>63,196,866</u>	<u>48,340,566</u>	<u>(29,690,386)</u>	<u>(12,666,408)</u>
Income Required:				
Annuity Savings Fund	1,288,425	1,997,975	2,724,179	3,440,674
Annuity Reserve Fund	2,348,707	2,178,764	1,959,450	1,615,394
Military Service Fund	6,665,682	5,890,112	6,095,595	5,707,043
Expense Fund	<u>277</u>	<u>457</u>	<u>716</u>	<u>958</u>
TOTAL INCOME REQUIRED	<u>10,303,091</u>	<u>10,067,309</u>	<u>10,779,939</u>	<u>10,764,069</u>
Net Investment Income	<u>63,196,866</u>	<u>48,340,566</u>	<u>(29,690,386)</u>	<u>(12,666,408)</u>
Less: Total Income Required	<u>10,303,091</u>	<u>10,067,309</u>	<u>10,779,939</u>	<u>10,764,069</u>
EXCESS INCOME TO THE PENSION RESERVE FUND	<u>\$52,893,775</u>	<u>\$38,273,258</u>	<u>(\$40,470,325)</u>	<u>(\$23,430,477)</u>

Middlesex Retirement System

STATEMENT OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS	PERCENTAGE ALLOWED
Cash	\$17,815,446	3.00%	100
Short Term	0	0.00%	100
Fixed Income	141,076,954	23.75%	40 - 80
Equities	203,848,582	34.31%	40
Pooled Short Term Funds	0	0.00%	
Pooled Domestic Equity Funds	40,823,758	6.87%	
Pooled International Equity Funds	76,245,128	12.83%	
Pooled Global Equity Funds	0	0.00%	
Pooled Domestic Fixed Income Funds	11,717,764	1.97%	
Pooled International Fixed Income Funds	33,905,095	5.71%	
Pooled Global Fixed Income Funds	0	0.00%	
Pooled Alternative Investment Funds	29,705,615	5.00%	
Pooled Real Estate Funds	38,951,795	6.56%	
Pooled Domestic Balanced Funds	0	0.00%	
Pooled International Balanced Funds	0	0.00%	
PRIT Cash Fund	0	0.00%	
PRIT Core Fund	0	0.00%	100
GRAND TOTALS	<u>\$594,090,138</u>	<u>100.00%</u>	

For the year ending December 31, 2004, the rate of return for the investments of the Middlesex Retirement System was 11.02%. For the five-year period ending December 31, 2004, the rate of return for the investments of the Middlesex Retirement System averaged 2.93%. For the 20-year period ending December 31, 2004, since PERAC began evaluating the returns of the retirement systems, the rate of return of the investments of the Middlesex Retirement System was 9.75%.

Middlesex Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

The Middlesex Retirement System submitted the following supplementary investment regulations, which were approved by PERAC on :

August 13, 2002

Notwithstanding the provisions of the Public Employee Retirement Administration Commission Regulations, the Middlesex Retirement Board may invest funds of the Middlesex Retirement System (the "System") with the real estate investment fund known as Realty Associates Fund VI Corporation (the "Fund"), and while the assets of the System are so invested, (i) the assets of the System shall be deemed to include, for purposes of applying the rules set forth in 840 CMR 16.00 et seq. and 17.00 et seq., the system's interest in the Fund but not any of the underlying assets of the Fund or the operating partnership in which the Fund is invested (the "OP"); provided that, at all times, the Fund and the OP qualify as "venture capital operating companies" or "real estate operating companies" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations promulgated hereunder, or the assets of the Fund and the OP otherwise would not be treated as plan assets under ERISA; and (ii) the limitation set forth in 840 CMR 19.01(6) shall be deemed satisfied if no single investment of the OP, valued at cost, exceeds 20% of the capital commitments to the Fund and the OP.

April 18, 2001

1. Exemption of the Board and INVESCO from the second sentence of 840 CMR 17.04(1)(c) – This Regulation deals with the use of non-public information by managers and consultants. PERAC recognizes that, in making the investments contemplated by the INVESCO Funds delineated above, that sentence, which prohibits action until information is publicly disseminated, represents an undue burden on the ability of the Partnerships to operate. Consequently, the Middlesex County Retirement Board request as it applies to 840 CMR 17.04(1)(c) is approved.
2. Exemption of the Board and INVESCO from 840 CMR 17.04(6), except as otherwise provided for in the Partnership Agreement and/or as disclosed in INVESCO's Form ADV – This Regulation deals with the Priority of Transactions and an investment manager's obligation to prioritize board transactions and provide the board with the opportunity to act prior to the manager acting, if applicable. PERAC recognizes that this Regulation may impede the ability of partnerships such as INVESCO's to operate. Upon receipt of a copy of the provisions of the Partnership Agreement and/or disclosures in the INVESCO Form ADV, the Commission will approve the Middlesex County request as it applies to 840 CMR 17.04(6).
3. Exemption of the Board and INVESCO from 840 CMR 19.01(7)(a)(6) with respect to the management fees and the General Partner's Carried Interest to be received by the manager or the General Partner pursuant to the (a) Subscription Agreement, (b) Agreement as defined in the side letter, and/or (c) Manager's Investment Advisory Agreement with respect to the Board's commitments to the Partnerships – PERAC recognizes the fact that the market, at the present time, is such that fee limitations, as outlined in these Regulations, result in limiting the number of partnerships available to the retirement boards. Consequently, the Middlesex County Retirement Board request, as it applies to 840 CMR 19.01(7)(a)(6), is approved.
4. Exemption of the Board and INVESCO from 840 CMR 21.01(2), 21.01(3)(a), 21.01(4), and 21.01(5) to the extent as otherwise permitted under the applicable agreement – These Regulations prohibit certain transactions as follows: 21.01(2) prohibits the sale of securities not owned by the system at the time of the sale (short-sales); 21.01(3)(a) permits the use of

Middlesex Retirement System

SUPPLEMENTARY INVESTMENT REGULATIONS(CONTINUED)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

forward currency contracts in limited circumstances; 21.01(4) prohibits the use of call options; 21.01(5) prohibits the purchase of options other than as required to close out option positions. PERAC has received a letter dated August 22, 2000 from INVESCO that clarifies the possible use of options, futures, or other derivatives. In pertinent part, the letter states as follows:

“Although the above referenced funds do not expect to use options, futures, or other derivatives other than infrequently, if at all, futures and/or options would be used only for non-speculative true hedging purposes. In general, we would anticipate their use, if at all, for among other reasons to protect downside risk on public securities of companies distributed to the funds by the underlying portfolio funds we invest in and where a commitment to a fund was made in a non US currency to limit currency risk of the funds.”

PERAC approves the exemption of the Board and INVESCO from 840 CMR 21.01(2), 21.01(3)(a), 21.01(4), and 21.01(5) for the limited purpose of protecting downside risk on public securities of companies distributed to the funds by underlying portfolio funds and to limit currency risk of the funds where a commitment to a fund was made in a non US currency.

Please be advised that this Supplemental Regulation as it exempts the Middlesex County Retirement Board from PERAC Regulations, only does so in relation to the INVESCO Funds that are the subject of the Supplementary Regulation. In all other circumstances, these Regulations apply to the Middlesex County Retirement Board.

The Supplementary Regulations approved herein are applicable only to the Middlesex County Retirement System's investment in the INVESCO Venture Partnership Fund, the INVESCO U.S. Buyout Partnership Fund, and the INVESCO Non-U.S. Partnership Fund. Exemption from the regulations pertaining to prohibited investments is limited to the purpose of protecting downside risk on public securities of companies distributed to the funds by underlying portfolio funds and to limiting currency risk of the funds where a commitment to a fund was made in a non-U.S. currency.

March 23, 2001

16.08 As authorized under the terms of the Middlesex County Retirement System's contract with Old Mutual Investment Advisors (OMIA), the System's international equity mandate previously managed by OMIA out of London has been transferred to Acadian Asset Management, a Boston based investment manager that is a wholly-owned corporate subsidiary of OMIA. The transition involves no essential change in investment strategy.

October 12, 2000

19.01(8) The Middlesex County Retirement Board may increase its allocation in alternative investments from 5% to 7%. The Board has had relationships with several investment managers in this asset class, and overall returns have been favorable. The Board seeks to maintain its investments in this asset class in light of the successful results to date and the expectation that a number of the partnerships in which it is invested will be returning capital to the limited partners in the coming years.

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

NOTE 1 - THE SYSTEM

The plan is a contributory defined benefit plan covering all Middlesex Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 75 - 85% pension and 15 - 25% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Any cost-of-living adjustment granted between 1981 and 1997 and any increase in other benefits imposed by state law during that period are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as indicated on the most recent funding schedule as approved by PERAC's Actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year.

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities, and in some systems have actually eliminated such liability.

Administrative expenses are funded through investment income of the system.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest which has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The Middlesex Retirement System submitted the following supplementary membership regulations, which were approved by PERAC on:

January 30, 2002

Call Firefighters Call Firefighters of a member unit within the Middlesex Retirement System are not entitled to membership in the Middlesex Retirement System by virtue of their Call Fire Fighter employment. Upon establishing membership in the Middlesex Retirement System, a member who has rendered prior service as a call fire fighter will be credited with service to be determined by the Board, subject to the applicable provisions of G.L. c. 32, ss. 4(2)(b) and 4(2)(b½).

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

August 18, 2000

Employment Service Rendered Under Federal Grants: Employment Service Rendered Under Federal Grants After further review of the relevant provisions of G.L. c. 32, further review of recent administrative and judicial decisions rendered regarding membership and creditable service, and further review of prior determinations and promulgations of the Public Employee Retirement Administration Commission relative to recovery of pension costs from federal grants, the Middlesex Retirement Board hereby adopts the following supplemental regulations.

1. Employees of a member unit of the Middlesex Retirement System whose compensation is paid through a federal grant (e.g., CETA, EAP, Title I, LEAA,) and whose employment terms and conditions would otherwise qualify them for membership, are eligible for membership in the Middlesex Retirement System.
2. Active members of the Middlesex Retirement System who previously rendered service in a member unit but were excluded or omitted from membership in the Middlesex Retirement System due solely to the federal source of payment of the employees' compensation, and whose employment terms and conditions would otherwise qualify them for membership in the Middlesex Retirement System, are entitled to membership in the system retroactive to the date of such exclusion or omission, upon full and complete payment into the retirement system of the appropriate retirement contribution. Such members are entitled to the benefits of membership which were in effect at the time of such exclusion or omission.
3. Active members of the Middlesex Retirement System who have rendered prior employment service in a non-member unit and whose compensation for such service was paid through a federal grant, are eligible to purchase creditable service for such prior employment service, if such prior employment service, if rendered in a member unit, would have been eligible to be purchased.

October 21, 1999:

Motor Vehicle Use: A member who is provided a motor vehicle for personal use by the employer as a necessary and usual requirement of the member's employment shall be credited annually as regular compensation an amount which shall be determined by adopting the taxable value of same as set by the member's employer, and as appearing on the member's W-2 form. Said regular compensation shall be approved upon payment of appropriate retirement contribution by the member. A member who receives a standard and regularly paid allowance from the employer for use of the member's personal motor vehicle in the course of performing the member's duties, as appearing on the member's W-2 form, shall be credited annually with the additional regular compensation in the amount of said allowance upon payment of appropriate retirement contribution by the member. Varying, sporadic or irregular reimbursement by the employer to a member for use of the member's motor vehicle shall not be considered regular compensation.

August 12, 1996 Membership:

Any employee rendering services in excess of ninety (90) working days shall be a member of the retirement system.

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five person Board of Retirement consisting of the Chairman who shall be elected by the other four members, a second member elected by the Advisory Council, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Chairman: Thomas F. Gibson

Advisory Council Member: Brian P. Curtin Term Expires: 12/31/06

Elected Member: Lawrence P. Driscoll Term Expires: 12/31/08

Elected Member: John H. Burke, Sr Term Expires: 12/31/07

Appointed Member: James M. Gookin Term Expires: 12/31/07

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board and are then submitted to the PERAC Actuary for verification prior to payment. All expenses incurred by the System must be approved by at least two members of the Board.

The following retirement board members and employees are bonded by an authorized agent representing a company licensed to do business in Massachusetts as follows:

Treasurer - Custodian:)	
Ex officio Member:)	\$10,000,000/\$1,000,000
Elected Member:)	National Union Fire Insurance
Appointed Member:)	
Staff Employee:)	

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by The Segal Co. as of January 1, 2004.

The actuarial liability for active members was	\$556,757,763
The actuarial liability for retired and inactive members was	<u>667,070,364</u>
The total actuarial liability was	1,223,828,127
System assets as of that date were	<u>618,163,380</u>
The unfunded actuarial liability was	<u>\$605,664,747</u>
 The ratio of system's assets to total actuarial liability was	 50.5%
As of that date the total covered employee payroll was	\$306,025,949

The normal cost for employees on that date was 8.59% of payroll

The normal cost for the employer was 3.71% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 8.25% per annum

Rate of Salary Increase: 6.00% per annum

GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2004

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Cov. Payroll ((b-a)/c)
1/1/2004	\$ 618,163,380	\$ 1,223,828,127	\$ 605,664,747	50.5%	\$ 306,025,949	197.9%
1/1/2002	599,699,143	1,020,828,178	421,129,035	58.7%	280,740,439	150.0%
1/1/2000	570,263,467	905,280,472	335,017,005	63.0%	253,228,818	132.3%
1/1/1998	476,708,969	763,093,878	286,384,909	62.5%	215,380,186	133.0%

Middlesex Retirement System

NOTES TO FINANCIAL STATEMENTS (Continued)

FOR THE FOUR-YEAR PERIOD ENDING DECEMBER 31, 2004

NOTE 6 - MEMBERSHIP EXHIBIT

Retirement in Past Years	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Superannuation	136	126	187	162	181	156	185	240	297	191
Ordinary Disability	4	7	6	2	3	1	0	3	9	7
Accidental Disability	7	15	9	5	6	4	11	12	10	10
Total Retirements	147	148	202	169	190	161	196	255	316	208
Total Retirees, Beneficiaries and Survivors	4,281	4,298	4,474	4,503	4,531	4,501	4,519	4,589	4,703	4,696
Total Active Members	6,462	6,375	6,123	6,328	6,601	7,095	7,718	7,818	7,612	7,427
Pension Payments										
Superannuation	\$23,436,163	\$24,352,288	\$26,047,807	\$27,547,942	\$29,487,123	\$31,695,314	\$33,951,518	\$37,368,563	\$44,224,108	\$47,692,309
Survivor/Beneficiary Payments	1,033,934	1,003,536	1,052,551	1,025,777	2,234,640	2,369,092	2,457,098	2,515,901	2,733,341	2,885,450
Ordinary Disability	1,929,802	1,952,061	2,063,213	2,105,688	1,034,514	1,053,360	1,058,259	1,002,734	1,049,566	1,112,060
Accidental Disability	5,947,568	6,281,950	6,445,240	6,683,850	7,026,732	7,339,433	7,551,654	7,993,227	8,486,056	8,964,388
Other	<u>1,791,203</u>	<u>1,991,444</u>	<u>2,041,616</u>	<u>2,092,874</u>	<u>2,199,250</u>	<u>2,307,918</u>	<u>4,360,597</u>	<u>4,819,891</u>	<u>5,019,215</u>	<u>4,902,309</u>
Total Payments for Year	<u>\$34,138,670</u>	<u>\$35,581,279</u>	<u>\$37,650,427</u>	<u>\$39,456,131</u>	<u>\$41,982,259</u>	<u>\$44,765,117</u>	<u>\$49,379,126</u>	<u>\$53,700,316</u>	<u>\$61,512,286</u>	<u>\$65,556,515</u>

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